August 11, 1987

TO: File

FROM: Frank J. Filas, Reclamation Engineer

DOE/037/036

RE: Site Inspection, EXP/037/023 and DOE/037/022, Minatome

Corporation

On July 29, 1987, Frank Filas and Ron Daniels inspected the Lucky 2 Mine and a mine near the old Saddle Mine. Minatome was mining these sites for assessment purposes at the time and, we had a chance to talk with:

Mr. Dale Lyman P.O. Box 762 Blanding, Utah 84511 PH: (801) 678-2826

He is Minatome's local representative. He says that Minatome has moved its offices to Houston, and that Mr. McNeill can now be reached at the following address:

Mr. Albert R. McNeill Development Manager One Allen Center 500 Dallas Street, Suite. 300 Houston, Texas 77002 PH:L (713) 739-8111

The Lucky 2 Mine can be reached by taking the Fry Canyon Road and traveling 7.5 miles. At this point, take the left fork in the road and travel an additional 2.5 miles. The access road winds down along the face of the mesa for a quarter mile. The mine consists of a single portal and a half-acre pad area. It is in close proximity to some older, prelaw workings.

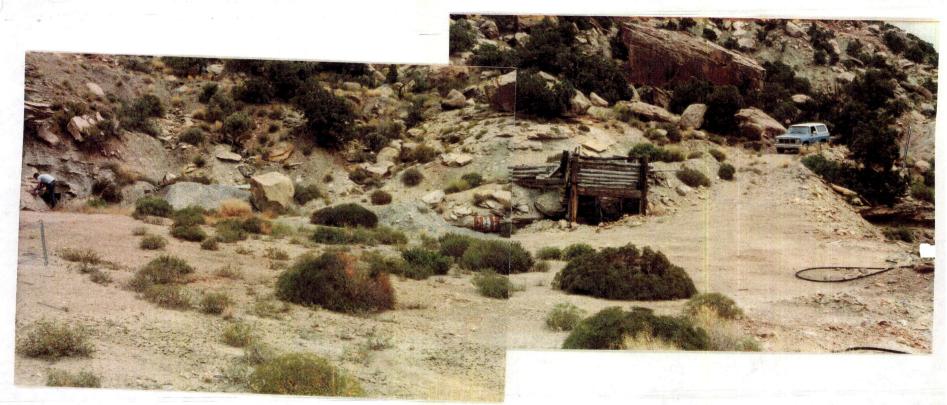
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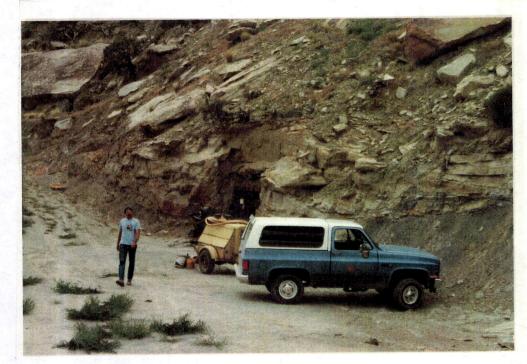
The Saddle site can be reached by traveling six miles south of the Fry Canyon store on Highway 95 and turning onto a dirt road which leads to the top of the mesa (approximately 2 miles). The left fork on the mesa leads to the old Saddle Mine. The right fork leads to Minatome's new mine that they started in 1985. They mined 1,300 tons of uranium ore in 1986 out of this adit and were just setting up to mine again this year. The site consists of a single adit, a half-acre pad-waste pile, and about one mile of dirt road. The waste pile is visible from the highway.

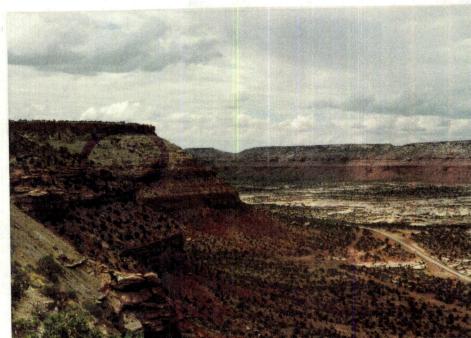
Mr. Lyman told us that they (Minatome) had a third mine in Cottonwood Canyon plus the old Ransom Mine in the Manti LaSal National Forest (see M/037/033). The Cottonwood site is called the Springwater Mine and is located in Section 3, Township 31 South, Range 21 East. The mine can be reached by traveling 2.5 miles up Cottonwood Canyon and turning east onto a dirt road. Follow this road for one-half mile (be sure to turn left and uphill at the old waste piles) to an old, prelaw shaft. Minatome has fenced this shaft and built dewatering ponds further up on the hill. The ponds are located near an old vent hole, and it appears that Minatome intends to dewater the old mine in the future. No other disturbances have occurred on this site.

All three sites visited are small with less than two acres of disturbance each. No safety or environmental problems were observed. Mr. Lyman stated that operating plans had been filed with the Bureau of Land Management.

cc: R. Daniels
L. Braxton
1210R/88-89







OLD SADDLE MINE (MINATOME HAS CLAIMS HERE,

BUT HAS DONE NO MINING)

MINATOMES MINE SEEN FROM A DISTANCE - NOTE CLOSE PRUXIMITY TO HIGHWAY

M. NATOMES CURRENT OPERI TION NEAR THE OLD SADDLE MINE 7-29-87